

April 27, 2009

The Common Council met as the Water Utility Board at 7:0 p.m. on the above date in the Meeting Room at City Hall Annex with Mayor Tucker presiding and members Askren, Fuelling, Hoehn, Curtis, and Higgins attending. Others attending were Supt. Gray; Chief Waters; Attorney Higgins; Andy Hoehn; Bob Bullard; Judy Whitten; Larry Williams; Jim Cameron – Umbaugh; Doug Ralston – Bernardin Lochmueller & Associates, Inc.; Sara Manifold – Mount Vernon Democrat; Pam Robinson – Posey County News; and arriving during the meeting, Chief Beloit.

Mayor Tucker called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. He added if not, he entertains a motion to waive their reading and to approve the minutes as presented.

Board member Higgins moved the reading of the minutes be waived and they be approved as presented. Seconded by Board member Askren.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker requested action on the claims presented.

Board member Hoehn moved the claims presented be allowed for payment. Seconded by Board member Higgins.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

*****CLAIMS*****

Mayor Tucker stated they will now hear the report of the Water Chairman.

Chairman Curtis stated Supt. Gray will deliver the report.

Supt. Gray stated the 12" water main from Seibert to the north booster station is completed, hooked up and ready to run. He added the boring has been done and the line is ready to be finished up and pressurized; then tested – after that, they should be good to go. He then stated the project was actually done ahead of schedule, he is very pleased with the work crew from the water plant. He stated as far as the plant goes, all is running very smoothly so far.

Supt. Gray continued his report by stating he would like permission to hire Don Morrison, an engineer, to help with some of the issues they had been having with dewatering the sludge. He feels if they can do this, it will save the city money in the long run.

Chairman Curtis asked if Supt. Gray had any numbers as to what Mr. Morrison would charge ?

Supt. Gray replied no, but he will have them by the next meeting. He added he feels the entire project should cost between \$150,000 and \$200,000, which would include a building of some kind.

Chairman Curtis added the preliminary work has already been done on this.

Supt. Gray agreed and added they have also done some small pilot studies.

Board member Higgins stated she noticed the building is done on County Club Road and it looks nice.

Mayor Tucker asked if there were any questions ?

There were none.

Mayor Tucker questioned the Financial Report.

Clerk-Treasurer Wolfe replied she received it from Bookkeeper Bennett on Friday but has not had a chance to review it yet.

Mayor Tucker asked if the Clerk-Treasurer had any Communications for the Board ?

Clerk-Treasurer Wolfe replied not at this time.

Mayor Tucker asked if there were any Legals for consideration ?

Attorney Higgins stated at the last meeting there was a request from Alex Ross and Max Dieterle for a water tap on Heritage Drive, which the Board did approve. She added she has the final paperwork for Board signature.

Board then signed the paperwork.

Chief Beloit arrived at the meeting.

Mayor Tucker asked if anyone in the Audience wished to address the Board ?

There was no response.

Mayor Tucker asked if there was any Old Business ?

There was none.

Mayor Tucker asked if there was any New Business ?

Board member Curtis stated in the Audit Report for several years now, there have been issues concerning the fixed assets re: the values of lines, etc at the water plant that have been in existence since possibly the 1800's. He added Supt. Gray and himself have contacted a firm that specializes in helping municipalities in that area. He stated they have attempted to fix this in the past, even paying a firm to do it, but it still hasn't been addressed completely. He added he will keep the Board updated.

Board member Hoehn asked about Ms. Stewart, who at the last meeting had been asking for an adjustment, based upon her moving and the account not being taken out of her name. She questioned the status of that ?

Supt. Gray replied Ms. Stewart is still disputing the bill.

Board member Hoehn asked if there were actual bills that she owed ?

Supt. Gray replied Ms. Stewart only requested a “change of address”, not a different service. He added she was aware of the bills and she should have disputed the \$197 back in 2006. He then stated she would also have to pay the deposits for water and sewer of \$166.00.

Mayor Tucker stated if there were no further business, he entertains a motion to adjourn. Board member Curtis moved the meeting be adjourned. Seconded by Board member Askren.

Mayor Tucker stated all of those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously and adjourned the meeting.

John Tucker
Mayor

ATTEST:

Cristi L. Wolfe
Clerk-Treasurer

The Common Council met immediately following the Water Utility Board on the above date in the Meeting Room at City Hall Annex with Mayor Tucker presiding and members Askren, Fuelling, Hoehn, Curtis, and Higgins attending. Others attending were Supt. Gray; Chief Waters; Attorney Higgins; Andy Hoehn; Bob Bullard; Judy Whitten; Larry Williams; Jim Cameron – Umbaugh; Doug Ralston – Bernardin Lochmueller & Associates, Inc.; Sara Manifold – Mount Vernon Democrat; Pam Robinson – Posey County News; Chief Beloat; and arriving during the meeting, Supt Givens and Scott Miller – Umbaugh.

Mayor Tucker called the meeting to order by stating members were either mailed or hand carried copies of the minutes of their previous meeting and by asking if there were any corrections or additions. He added if not, he entertains a motion to waive their reading and to approve the minutes as presented.

Councilman Curtis moved the reading of the minutes be waived and they be approved as presented. Councilman Fuelling.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously.

Mayor Tucker stated they will now hear the reports of the Standing Committees.

Street & Light Chairwoman Hoehn stated she met with Comm. Maynard last week and she asks that as he takes his son to Louisville, everyone keep them in their prayers. Supt. Givens arrived at the meeting. Mayor Tucker asked if there were any questions ? There were none.

Police & Dog Chairwoman Askren stated she has no report. Chief Beloit stated he has no report. Mayor Tucker asked if there were any questions ? There were none.

Fire Chairman Fuelling stated he has no report. Chief Waters stated he has no report. Mayor Tucker asked if there were any questions ? There were none.

Sewer Chairwoman Higgins stated she has no report. Supt. Givens stated the primary tank is having some issues, hopefully just minor, and they will be getting it back in service soon. Mayor Tucker asked if there were any questions ? There were none.

Mayor Tucker asked if the Clerk-Treasurer had any Communications for the Council ? Clerk-Treasurer Wolfe replied not at this time.

Mayor Tucker stated they are now ready for the Legal portion of the Agenda. Attorney Higgins stated Council is ready for the 3rd Reading on the sewer rate ordinance and Jim Cameron of Umbaugh is here, Mr. Miller is still in transit from Indianapolis. At that time, Scott Miller arrived at the meeting. Attorney Higgins stated there have been several versions of this ordinance floating around and she apologizes for just getting the final version to them around 4:00 today. She explained the project has been evolving for the last couple of years, and design itself has changed from a separation to a treat and transport. She added everyone feels the new design will ensure a more successful Long Term Control Plan at a cheaper rate. She added they have also discovered that the sewage utility needs reimbursed on some things they have paid for already before the project was changed, they need to pay off the BAN'S as well and then go forward. She added she is also happy to say that the city was awarded some stimulus money (30% grant), which is HUGE news, around the \$900,000 range of money that the city does not have to pay back. She added the Mayor should be commended for all of his hard work.

Mr. Miller approached the podium and stated the city did in fact receive a portion of the stimulus money through SRF, 30% which will be funded as a "grant" structured as a BAN at 0% interest, maturing on April 15, 2014, at which time the state steps in and forgives the debt. He added the rate the city has qualified for is 3.88%. He stated, as Attorney Higgins touched on earlier, there were some preliminary costs several years

ago, but they have checked those out and there was no duplication of work, due to the fact that the project itself changed. He added some of those initial costs may be reimbursed, in fact, \$220,000 is in question. He stated if the State chooses to reimburse the utility, that would be great, if not, the utility will have to come up with on-hand cash, and they do have sufficient money on-hand to do that. He continued by stating the city has had two completely different professional services working on this project, and as a result, around \$470,000 has been added to the project just today, though the rates are lower than they had projected.

Mr. Miller stated as Council can see on Page 8 of the Accounting Report, the bond issue will be in the amount of \$2,475M, with the stimulus “grant” portion being \$1.06M. He also stated they should close May 6, as anticipated. He then asked if there were any questions ?

Councilman Fuelling questioned the forgiveness of the loan at maturity, April 15, 2014; is there any documentation of that and if so, where is it ? Convince me.

Mr. Miller replied he has not seen it in writing as no communities have closed yet, though there will have to be something that says that – likely in the final financial assistance agreement. He then stated pre-closing is Wednesday, April 29, and closing May 6.

Councilwoman Hoehn asked prior to the 30% “grant” and the 0% interest savings, what will the rate increase be ?

Mr. Miller replied 44.3%.

Councilwoman Hoehn asked why it isn’t lower, as she had anticipated ?

Mr. Miller replied the bond issue is spread over 20 years, therefore, there isn’t as big an impact on the rates.

Attorney Higgins stated early on there was a press release that indicated the stimulus may have no interest on the project, and Council will recall the first rates they saw anticipated an interest rate of 4.22% - they are now down to 3.88%. She added of course they were hopeful it would be lower, but 3.88% is the best SRF could do.

Mr. Miller stated he is surprised about the “grant”, it is better than he expected.

Councilman Fuelling stated the stimulus portion, \$1.06M, spread over 20 years, if they had to pay that back, would result in a larger increase.

Councilman Curtis added they are still \$600,000 to the good – a net gain.

Mr. Miller then stated the Council also needs to address a deposit agreement with the Bank of New York, where the money will be deposited. He added it will earn interest but the Council needs to decide how those funds will be invested. He stated there are basically three options, but Umbaugh is suggesting Dreyfus Government Prime Cash Management, or the middle option on their hand out. He stated this will provide a lesser return, but it is not as risky.

Councilwoman Hoehn asked if the principal is guaranteed ?

Mr. Miller replied he can check on that for options #1 and #3.

Councilwoman Hoehn stated she prefers no risk.

Councilman Fuelling questioned the percentage yield ?

Mr. Miller replied .2 on the middle option.

Attorney Higgins stated they do need to make a decision on the option before pre-closing, and asked for direction.

Councilwoman Hoehn stated she is happy with the middle option, as long as there is no risk to the principal.

Mr. Miller replied one can not get completely away from risk.

Councilman Curtis stated he feels Council should take Umbaugh's advice, they have paid for that advice, and choose the middle option.

Attorney Higgins agreed they are experts in this field and she feels very comfortable relying on their recommendation.

Councilman Curtis moved Council invest the funds on the recommendation of Umbaugh, the Dreyfus Government Prime Cash Management. Seconded by Board member Higgins.

Mayor Tucker asked if there was any discussion ?

There was none.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried unanimously.

Attorney Higgins stated they are now ready for the final reading on the rate ordinance. She added the rates they advertised were higher than the final rates as set per this ordinance.

Board member Hoehn moved the Ordinance Amending and Restating Rates and Charges for the Use of the Sewage System and Related Services of the City of Mount Vernon, Indiana pass final reading. Seconded by Councilwoman Askren.

Mayor Tucker asked if there was any discussion ?

Attorney Higgins stated this ordinance and the new rates will be effective as soon as Keystone changes the software, but they have to be in effect before July 1, 2009.

Mayor Tucker requested a roll call vote.

Roll was called by the Clerk-Treasurer with Council voting as follows:

Askren – yes; Fuelling – yes; Hoehn – yes;

Curtis – yes; Higgins – yes.

Mayor Tucker stated the motion carried unanimously.

Clerk-Treasurer Wolfe added it will be numbered 09-10.

Mayor Tucker asked if anyone in the Audience wished to address the Council ? He added Dave Frey of the MSD is listed on the Agenda.

Councilwoman Hoehn stated she would have hoped he would have been here, but she believes she knows what he wants. She added the school district is wanting to make Venice Avenue a one way, which runs on the east edge of the West School property. She stated they are requesting it be made a one-way running south, and adding a STOP sign on Venice at 5th Street and removing the 5th Street STOP sign.

Councilman Fuelling stated they are wanting traffic to flow from 5th Street west, left on Venice, so it flows without a STOP sign. He then asked if Venice runs all the way through to Wolflin ?

Councilwoman Hoehn replied yes, and added Venice is a very narrow street that at one point had been a one-way street, though the sign is now missing.

Councilman Fuelling stated it the request makes sense.

Councilwoman Hoehn added it is currently being used as a two-way street.

Councilwoman Higgins asked the Comm. Maynard get involved due to change in signage.

Chief Belloat, who just got off from a phone call with Mr. Frye, stated he, Mr. Frye and Comm. Maynard all agree that making the traffic flow NORTH be safer, due to visibility issues at Venice and 4th.

Council then consented to have Attorney Higgins draft an ordinance making Venice Avenue one-way, heading north.

Mayor Tucker asked if anyone else in the Audience wished to address the Council ?

There was no response.

Mayor Tucker asked if there was any Old Business ?

Councilwoman Higgins asked about animals/pets at public gatherings, which they discussed at the last meeting.

Attorney Higgins replied she emailed Council sample ordinances on that today, along with noise ordinance issues.

Mayor Tucker asked if there was any New Business ?

There was none.

Mayor Tucker stated they will now hear the reports of the Districts.

1st District Councilwoman Askren stated she has no report.

2nd District Councilman Fuelling stated he has no report.

3rd District Councilwoman Hoehn stated she has no report.

4th District Councilman Curtis stated he has no report.

Councilwoman-at-Large Higgins stated she has no report.

Mayor Tucker announced May 2, 2009 will be a clean up day at the riverfront starting at 8:00 am.

Mayor Tucker then stated if there were no further business, he entertains a motion to adjourn.

Councilman Fuelling moved the meeting be adjourned. Seconded by Councilman Askren.

Mayor Tucker stated all those in favor of the motion should signify in the affirmative; and following the vote, he reported the motion carried unanimously and adjourned the meeting.

John Tucker
Mayor

ATTEST:

Cristi L. Wolfe
Clerk-Treasurer